

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0536P**

Corporate Income Tax

For Fiscal Year Ended September 30, 2001

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer failed to remit its entire tax liability by the due date of the return for fiscal year 2001. The department issued a penalty billing.

I. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer, in a letter dated December 18, 2002 states that it had recently moved its tax department to Florida. As a result there was a lack of sufficient staffing and its estimated payments and estimated tax due were improperly calculated. In addition, it has consolidated the tax function for many subsidiaries. Taxpayer requests that it not be penalized because it conducted its tax affairs in a reasonable manner and made a good faith effort to accurately file its Indiana tax return and pay its taxes.

IC 6-8.1-6-1 (c) states:

“If the Internal Revenue Service allows a person an extension on his federal income tax return, the corresponding due dates for the person's Indiana income tax return are automatically extended for the same period as the federal extension, plus thirty (30) days. However, the person must pay at least ninety percent (90%) of the Indiana income tax that is reasonably expected to be due on the original due date by that due date, or he may be subject to the penalties imposed for failure to pay the tax.”

0220020536P.LOF  
PAGE #2

Taxpayer did not pay ninety percent of the tax due by the due date. Taxpayer paid \$66,031 on May 1, 2002 that generated a penalty.

The taxpayer has not provided reasonable cause to allow a penalty waiver.

**FINDING**

Taxpayer's protest is denied.

DSW/RAW/JMS/dsw 021912